

## Message Text

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ORIGIN EB-11

INFO OCT-01 EA-11 ADP-00 COME-00 L-03 TRSE-00 STR-08

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DRAFTED BY EB/ISM:WPOLIK:RDM

8/28/73 EXT. 21705

APPROVED BY EB/ICD:JJINGERSOLL

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R 291522Z AUG 73

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

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E.O. 11652:N/A

TAGS: EIND, ETRD, JA

SUBJECT:US FERROUS SCRAP EXPORTS

REF: STATE 166798

FOLLOWING INFORMATION PROVIDED FOR USE IN EMBASSY-TRADING  
COMPANY MEETING SUGGESTED PARA 2 REFTEL:

1. IN JUNE 1973, WHEN GOJ INFORMED USG THAT IT WOULD LIMIT  
JAPANESE IMPORTS OF US FERROUS SCRAP TO FIVE MILLION SHORT  
TONS IN CY 1973, GOJ ALSO INFORMED USG THAT APPROXIMATELY  
500,000 SHORT TONS OF JAPANESE SCRAP ORDERS ON US BOOKS  
HAD BEEN PURCHASED BY JAPANESE TRADING COMPANIES FOR SHIP-  
MENT TO OTHER COUNTRIES, PRINCIPALLY KOREA AND TAIWAN.  
ALTHOUGH USG HAS MADE NUMEROUS EFFORTS TO OBTAIN DETAILS  
OF SUCH JAPANESE ORDERS FOR OTHER COUNTRIES, BOTH THROUGH  
JAPANESE EMBASSY AND EMBASSIES OF OTHER COUNTRIES (ROC AND  
ROK), SUCH EFFORTS HAVE BEEN UNSUCCESSFUL.

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2. IN ORDER TO MAINTAIN CONTROL OVER THE USG LICENSING

SYSTEM NOW IN EFFECT AND TO PREVENT ITS ABUSE BY SHIFTING TO OTHER DESTINATIONS QUANTITIES OF SCRAP WHICH HAVE BEEN DENIED IMPORT LICENSES BY GOJ, IT IS IMPERATIVE THAT USG

OBTAIN FOLLOWING INFORMATION FROM JAPANESE TRADING COMPANIES, ON EACH OF THOSE ORDERS FOR WHICH COUNTRIES OTHER THAN JAPAN WERE THE INTENDED DESTINATION AT THE TIME THE ORDERS WERE PLACED:

- A. NAME OF JAPANESE TRADING COMPANY.
- B. DATE OF ORDER.
- C. INTENDED COUNTRY OF DESTINATION.
- D. NAME OF CONSIGNEE.
- E. QUANTITY OF SCRAP, IN SHORT TONS.

3. ON THE BASIS OF THE ABOVE INFORMATION, USG LICENSES WOULD BE ISSUED ONLY FOR THOSE ORDERS WHICH WERE ACCEPTED ON OR BEFORE JULY 1, 1973, AND ORIGINALLY INTENDED FOR SHIPMENT TO COUNTRIES OTHER THAN JAPAN. JAPANESE TRADING COMPANIES SHOULD BE PREPARED TO SUPPORT SUCH ORIGINAL INTENT BY DOCUMENTARY EVIDENCE SUCH AS MATCHING ORDERS FROM THIRD COUNTRY IMPORTERS WHICH PREDATED THE ORDER PLACED IN THE U.S. IF THE TOTAL OF ALL SUCH ORDERS SUBSTANTIALLY EXCEEDS 500,000 SHORT TONS, USG WILL HAVE TO CONSIDER A REVISION IN LICENSING POLICY WITH RESPECT TO THESE ORDERS.

4. THUS FAR WE HAVE NOT HAD ANY GOJ REACTION TO SUGGESTION IN AUGUST 20 COOK-KINOSHITA LETTER THAT AMEMBASSY-TRADING COMPANY MEETING BE HELD ON THIS PROBLEM. WOULD APPRECIATE EMBASSY SOUNDING OUT MITI RE SUCH A MEETING. EMBASSY ALSO REQUESTED ADVISE DEPARTMENT WHETHER ANY ADDITIONAL INFORMATION WOULD BE NEEDED FOR USE IN ANY MEETING WITH TRADING COMPANIES. FYI. DURING AUGUST 20 MEETING WITH COOK, KINOSHITA INFORMALLY CONCURRED IN SUGGESTION FOR TOKYO MEETING BETWEEN EMBASSY AND TRADING COMPANIES ON THIS MATTER, CALLING IT "A GOOD IDEA." END FYI. ROGERS

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